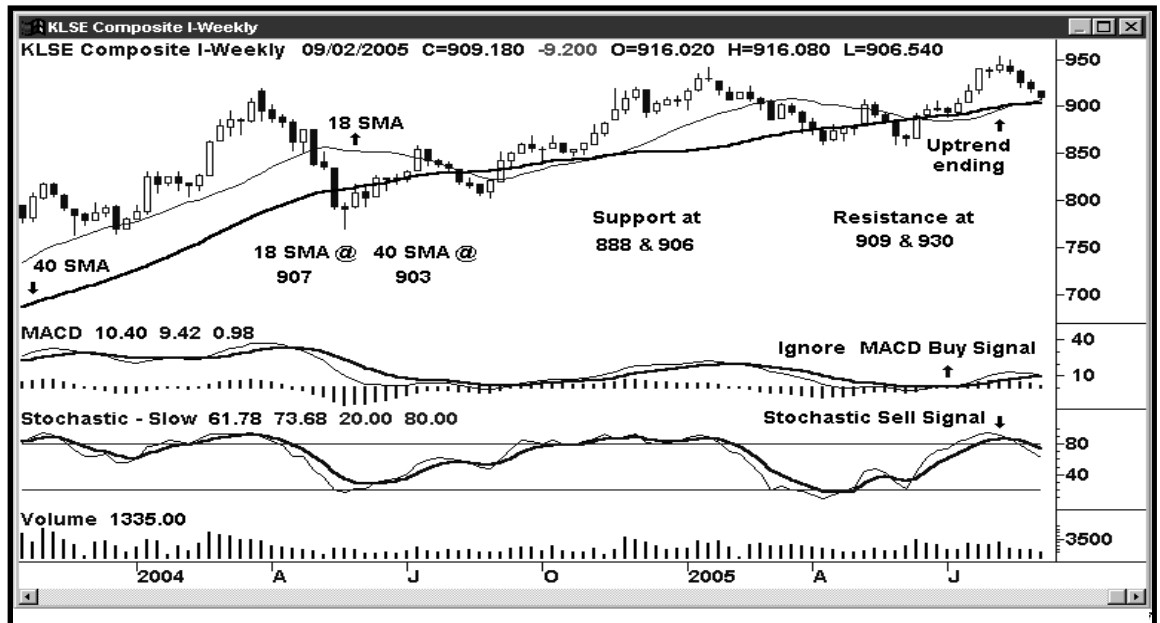


# Support & Resistance - Weekly

MONDAY, SEPTEMBER 05, 2005

**KLCI 909.18**

## KLSE COMPOSITE INDEX (KLCI) WEEKLY CHART



### KLSE WEEKLY OUTLOOK

The KLCI traded in a lower trading range from 916 to 906 for last week. The KLCI ended slightly lower at 909.18 (a loss of 9.20 points (or 1.0%) week-on-week). The local market ended lower on broad based profit-taking and liquidation activities. The market's weakness persisted due to the higher crude oil prices and volatile global market tone. The KLCI's high and low chart points last week was 916.08 and 906.54 respectively.

The weekly chart has weak buying interest at its support areas of 888 and 906, whilst the key resistance areas of 909 and 930 will cap the market's price rise. The technical readings for the weekly charts are as follows: - Its CCI, DMI, MACD and Oscillator are all in positive territory, but its Stochastic had just turned negative. The weekly candlestick chart was bearish with a close of 909.18, below its weekly opening level of 916.02. With this, **the weekly candlestick KLCI outlook remains negative.**

The monthly chart has weaker buying interest at its support areas of 880 and 900, whilst the key resistance areas of 920 and 945 will cap the market's price rise. The technical readings for the monthly chart are as follows: - Its Oscillator, DMI, Stochastic and CCI are all in positive territory, but its MACD had just turned negative. The monthly candlestick chart was bearish with a close of 909.18, below its monthly opening level of 913.08. With this, **the monthly candlestick KLCI outlook remains negative.**

**The KLCI declined from its high of 918.95 (22 Mar. 2004). Its next key swings were 769.29 (low), 940.94 (high), 859.81 (low), 906.43 (high) and 858.84 (low). Some bearish divergence signals have emerged, depicting waning upside potential. Therefore, it may be wise to take profit on rallies for the local market. A temporary high for the KLCI was established at the 953.88 level (4 August). The volatile situation for global markets and very high oil prices remain two concerns for this week. A large number of the world markets are in negative territory. Profit-taking has taken the German DAX index to neutral territory and the DJIA, NASDAQ, SP500, French CAC, Swiss SMI, Holland AEX, Taiwan TWSE, Indonesia JKSE and Philippines CI indices are in negative zone.**

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